

*License Law for Agents & Brokers:*  
***Additional Law/Rules for Property Management and Community Association Management***

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**Handling Escrow Funds (GREC 520-1-.08(4))**

- a. Brokers who manage real property or community associations may maintain designated “rental” or “assessment” trust accounts separate from their other trust accounts.
- b. Security deposits, if kept in a designated rental account, must be clearly identified and credited to the tenant and there must always be a balance in the account equal to the total of said security deposits.

**Handling Escrow Funds (GREC 520-1-.08(4a))**

In paying bills on behalf of an owner or an association, from any designated rental or assessment trust account, there must be enough money credited and deposited to the owner’s or the association’s account to cover said bill.

**Unfair Trade Practices (OCGA 43-40-25b(26))**

Obtaining a brokerage agreement or contract from a party while knowing or having reason to believe that another broker has an exclusive agreement with such party, unless the licensee has written permission from the broker having the first exclusive brokerage agreement provided, however, a licensee shall be permitted to present a proposal or bid for CAM if requested to do so in writing from a community association board of directors.

**Unfair Trade Practices (OCGA 43-40-25b(31))**

Attempting to perform any act authorized by this chapter to be performed only by a broker, associate broker, or salesperson while licensed as a CAM.

**Unfair Trade Practices (OCGA 43-40-25b(32))**

Attempting to sell the property of any member of a community association to which a licensee is providing CAM services, without the express written consent of that association to do so.

**Unfair Trade Practices (OCGA 43-40-25b(33))**

Failure to deliver the following to a community association terminating a management contract (within 30 days of the termination, or within such other time period as the management contract shall provide):

- A. A complete and accurate record of all funds and transactions handled during the period of the contract and not previously accounted for;
- B. All records and documents received from the community association or received on the association's behalf; and
- C. Any funds held on behalf of the community association

**Unfair Trade Practices (OCGA 43-40-25b(34))**

Failure to deliver the following to a property owner terminating a management contract (within 30 days of the termination, or within such other time period as the management contract shall provide):

- A. A complete and accurate record of all funds and transactions handled during the period of the contract and not previously accounted for;
- B. All records and documents received from the property owner or received on the owner's behalf; and
- C. Any funds held on behalf of the property owner

**Broker Relationships (GREC 520-1-.06(2))**

- a. Every written property management agreement or other written authorization to manage real property between a broker and the owners of the real property shall:
1. Identify the property to be managed;
  2. Contain all the terms and conditions under which the property is to be managed;
  3. Specify the terms and conditions on which the broker will remit property income to the owner and on which the broker will provide periodic written statements of property income and expenses to the owner, provided that the periodic written statements shall be submitted to the owner on at least an annual basis
  4. Specify which payments of property related expenses are to be made by the broker to third parties and how such payments are to be funded;
  5. State the amount of fee or commission to be paid and when the fee or commission will be paid;
  6. Specify whether security deposits and prepaid rents will be held by the broker or the owner;
  7. Contain the effective date of the agreement and its termination date;
  8. Provide the terms and conditions for termination of the property management agreement by the broker or the owner of the property; and
  9. Contain signatures of broker and owner or their authorized agent
- b. The licensee shall give to the owner a legible copy of each written PM agreement or other written authorization to manage real property at the time the signature of the owner is obtained; and the licensee's broker shall retain a copy

**Broker Relationships (GREC 520-1-.06(3))**

Any broker who provides CAM services and who collects, maintains, controls, has access to, or disburses community association funds shall be covered at all times under a fidelity bond/insurance policy that complies with the requirements of paragraph (a) below unless such broker at no time collects, maintains, controls, has access to, or disburses community association funds totaling more than \$60,000.

- a. Any fidelity bond/insurance policy required by this rule shall:
1. be written by an insurance company authorized to write such bonds or policies in this state;
  2. cover the maximum amount of funds that the broker collects, maintains, controls, has access to, or disburses at any time the bond or insurance policy is in effect; coverage shall not be less than three months assessments due from all the members of the association or associations managed by the broker plus reserves required to be maintained by the broker
  3. name the community association(s) as an additional insured party;
  4. cover the broker and all partners, officers, licensed affiliates, and employees of the broker and may cover other persons collecting, maintaining, controlling, having access to, or disbursing community association funds as well
  5. provide that the company issuing the bond or policy may not cancel, substantially modify, or refuse to renew the bond or policy without giving thirty days prior written notice to the broker and to the community association; except that in the case of non-payment of premiums, no less than ten days prior written notice shall be given.
- b. Each broker shall maintain a separate fidelity bond/insurance policy for each community association for which the broker provides CAM services and collects, maintains, controls, has access to, or disburses funds, or such alternate fidelity coverage as is acceptable to GREC
- c. Each broker shall maintain a copy of each fidelity bond/insurance policy along with a current certificate of each such bond or insurance policy showing current coverage and shall provide a copy thereof to the community association.